

**STATE OF WASHINGTON****OFFICE OF  
INSURANCE COMMISSIONER****BEFORE THE INSURANCE COMMISSIONER  
OF THE STATE OF WASHINGTON**

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**BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF WASHINGTON**

In the Matter of ) D 2000-28

HARTFORD ACCIDENT &  
INDEMNITY COMPANY,  
HARTFORD CASUALTY  
INSURANCE COMPANY,  
HARTFORD UNDERWRITERS  
INSURANCE COMPANY,  
TWIN CITY FIRE INSURANCE  
HARTFORD INSURANCE  
COMPANY OF THE MIDWEST, )  
and HARTFORD FIRE  
INSURANCE COMPANY,

CONSENT AND ORDER LEVYING A FINE

Authorized  
Insurers. )

**FINDINGS OF FACT:**

1. On November 30, 1992, Hartford Accident & Indemnity Company, Hartford Casualty Insurance Company, Hartford Underwriters Insurance Company, Twin City Fire Insurance Company, Hartford Insurance Company of the Midwest, and Hartford Fire Insurance Company ("Hartford"), filed with the Office of the Insurance Commissioner ("OIC") filing no.

FN450000LC9201, a rate filing with an effective date of February 1, 1993, which indicated that these Hartford companies would be using a particular loss-cost multiplier, adopting the loss-costs in Insurance Services Office ("ISO") filing no. CM-92-RLA1, and applying the multiplier to future ISO revisions of those loss costs.

2. On March 10, 1994, OIC received filing no. CM-94-RLA1 from ISO, revising the loss-costs in filing no. CM-92-RLA1; this filing was approved on August 1, 1994, with an effective date of December 1, 1994.
3. On November 21, 1994, OIC received filing no. BE0500119950 from Hartford, which indicated that Hartford would delay implementation of the loss costs in ISO filing CM-94-RLA1 until January 1, 1995. That filing was approved on December 5, 1994.
4. On March 15, 1996, OIC received filing no. CM-96-RLA1 from ISO, revising the loss costs in filing no. CM-94-RLA1; this filing was approved on July 9, 1996, with an effective date of November 1, 1996.
5. OIC received no filing from Hartford indicating that it would delay implementation of or not adopt the loss costs in filing no. CM-96-RLA1.
6. From November 1, 1996, when the CM-96-RLA1 loss costs became effective, through December, 1999, Hartford issued 100 policies to 60 consumers utilizing the CM-94-RLA1 loss costs although Hartford's filing no. FN450000LC9201 indicated that it would implement all ISO revisions, and no Hartford filings altered that commitment with respect to CM-96-RLA1.
7. In August, 1999, the OIC began investigating Hartford's adherence to ISO's 1996 loss-cost filing and requested information from Hartford. That information was not provided in a timely manner. On or about March 8, 2000, the OIC and Hartford executed a Consent Order whereby a \$20,000 fine was imposed by the OIC for Hartford's dilatory response to OIC's investigation, with \$10,000 suspended on condition that Hartford provide the information by a date certain. Hartford then provided the information as agreed.

#### CONCLUSIONS OF LAW

1. Hartford's failure to use the loss cost revisions in ISO filing no. CM-96-RLA1 when it rated the 100 policies it issued from November 1, 1996 through December, 1999, constitutes a minimum of 100 violations of RCW 48.19.040(6).

#### CONSENT TO ORDER

Hartford Accident & Indemnity Company, Hartford Casualty Insurance Company, Hartford Underwriters Insurance Company, Twin City Fire Insurance Company, Hartford Insurance Company of the Midwest, and Hartford Fire Insurance Company hereby consent to the entry of this Order and admit to the foregoing Findings of Fact and Conclusions of Law.

Hartford Accident & Indemnity Company, Hartford Casualty Insurance Company, Hartford Underwriters Insurance Company, Twin City Fire Insurance Company, Hartford Insurance Company of the Midwest, and Hartford Fire Insurance Company acknowledge their duty to comply fully with the applicable laws of the State of Washington.

The Commissioner has offered a settlement in lieu of suspending or revoking the certificates of authority of Hartford Accident & Indemnity Company, Hartford Casualty Insurance Company, Hartford Underwriters Insurance Company, Twin City Fire Insurance Company, Hartford Insurance Company of the Midwest, and Hartford Fire Insurance Company.

By agreement of the parties, the OIC will impose a fine of \$65,000 on Hartford Accident & Indemnity Company, Hartford Casualty Insurance Company, Hartford Underwriters Insurance Company, Twin City Fire Insurance Company, Hartford Insurance Company of the Midwest, and Hartford Fire Insurance Company, with \$20,000 suspended on condition that:

1. Hartford refund all excess premiums charged to those policyholders in the amount of \$3,442 (as set forth on the list attached hereto as Exhibit A) who were overcharged by reason of Hartford's failure to use the 1996 ISO loss cost revisions, and
2. Hartford implement the loss-costs in ISO Filing No. CM-2000-RLA1 on the effective date of August 1, 2000.

This fine must be paid in full within thirty days of the date of entry of this order. Failure to pay the fine or to fulfill the stated conditions within the allotted time shall constitute grounds for recovery of the full fine, including the suspended portion, and for revocation of Hartford Accident & Indemnity Company, Hartford Casualty Insurance Company, Hartford Underwriters Insurance Company, Twin City Fire Insurance Company, Hartford Insurance Company of the Midwest, and Hartford Fire Insurance Company's certificates of authority in a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

EXECUTED and AGREED this \_\_\_\_\_ day of \_\_\_\_\_, 2000.

HARTFORD ACCIDENT & INDEMNITY COMPANY

Title: \_\_\_\_\_

Signed: \_\_\_\_\_

HARTFORD CASUALTY INSURANCE COMPANY

Title: \_\_\_\_\_

Signed: \_\_\_\_\_

HARTFORD UNDERWRITERS INSURANCE COMPANY

Title: \_\_\_\_\_

Signed: \_\_\_\_\_

TWIN CITY FIRE INSURANCE COMPANY

Title: \_\_\_\_\_

Signed: \_\_\_\_\_

HARTFORD INSURANCE COMPANY OF THE MIDWEST

Title: \_\_\_\_\_

Signed: \_\_\_\_\_

HARTFORD FIRE INSURANCE COMPANY

Title: \_\_\_\_\_

Signed: \_\_\_\_\_

ORDER

Pursuant to RCW 48.05.185, the Insurance Commissioner hereby imposes a fine of Sixty Five Thousand Dollars, with Twenty Thousand Dollars suspended, upon Hartford Accident & Indemnity Company, Hartford Casualty Insurance Company, Hartford Underwriters Insurance Company, Twin City Fire Insurance Company, Hartford Insurance Company of the Midwest, and Hartford Fire Insurance Company. This fine must be paid in full within thirty days of the date of entry of this order. Failure to pay the fine within the allotted time or to fulfill the stated conditions shall constitute grounds for recovery of the full fine, including the suspended portion, and for suspension or revocation of Hartford Accident & Indemnity Company, Hartford Casualty Insurance Company, Hartford Underwriters Insurance Company, Twin City Fire Insurance Company, Hartford Insurance Company of the Midwest, and Hartford Fire Insurance Company's certificates of authority in a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

ENTERED AT OLYMPIA, WASHINGTON, this \_\_\_\_\_ day of \_\_\_\_\_, 2000.

DEBORAH SENN

Insurance Commissioner

By: \_\_\_\_\_

Carol Sureau

Enforcement Attorney

Office of the Insurance Commissioner